



भारतीय विमानपत्तन प्राधिकरण AIRPORTS AUTHORITY OF INDIA

Ref. No. : CL-13/41/2016-APD-SR-VIJAYWADA /1087

Date : 20.02.2024

To
M/s Prakash Arts Pvt Ltd.
3-6-473/1, Street No. 5,
Himayathnagar, Hyderabad – 500 029.

Sub : LOIA for “RFP for Advertising Rights Concession to Design, Develop, Operate, And Market, the Advertising Opportunity at Vijayawada Airport”, E-Bid NO. 2023_AAI_171233_1, Dtd. 18.10.2023.

Dear Sir,

We are pleased to inform you that Competent Authority has accepted your bid for “RFP for Advertising Rights Concession to Design, Develop, Operate, And Market, the Advertising Opportunity at Vijayawada Airport”, in response to E-Bid NO. 2023_AAI_171233_1, Dtd. 18.10.2023.

The LOIA for “RFP for Advertising Rights Concession to Design, Develop, Operate, And Market, the Advertising Opportunity at Vijayawada Airport” is hereby awarded to M/s Prakash Arts Pvt. Ltd for a period of 18 (Eighteen) months, extendable by another 6 (Six) months on the following terms & conditions.

1. This LOIA will be part & parcel of agreement. The concessionaire needs to convey his acceptance within 07 days from the date of disposal of this LOIA.
2. **Concession Term** : The Concession Term is for 18 (Eighteen) months, extendable by another 06 (Six) months. The Concession Term shall be reckoned from the Concession Fee Commencement Date as defined in the RFP.
All other factors of Concession Term will be as per Chapter 5.3 and 5.4 of RFP Document.
3. **Concession Fee** : The Concession Fee is the Quoted Minimum Rate Rs. 38.45 per Passengers x Total number of passengers (Arriving plus Departing) for both the terminal buildings (DTB & ITB) of the corresponding month or Minimum Monthly Guarantee (MMG) Rs. 3361392/-, whichever is higher plus applicable taxes and charges.
All other factors of Concession Fee, including escalation would be as per Chapter 5.4 of RFP Document and Article 10 of Concession Agreement.
4. **Other Charges payable to AAI** : The Concessionaire shall pay to the Authority Taxes and Other payments as defined in Chapter 5.5 of RFP Document.
5. **Business Incubation Period** : Business Incubation Period shall mean a period of 60 (Sixty) days from the date of issue of this Letter of Intent to Award (LOIA), i.e. 60 days from 20.02.2024, unless extended in writing by the Authority.

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Commercial Department Email – vobz.comml@aai.aero Phone -0866 2846014

विजयवाडा हवाई अड्डा
VIJAYAWADA AIRPORT

विजयवाडा - 521 102
VIJAYAWADA - 521 102

दुरभाष : 0866-2846729
Phone : 0866-2846729

फैक्स : 0866-2846757
Fax : 0866-2846757

- a) The Selected Bidder shall execute the Concession Agreement as per the provisions of the RFP Document not later than thirty (30) days from commencement of the Business Incubation Period;
- b) The Selected Bidder shall execute the Integrity Pact as per the Draft Integrity Pact of RFP Document as per Technical Form-VII of prior to signing of the Concession Agreement;
- c) The Selected Bidder/ Concessionaire shall, at its own risk and cost, obtain all Applicable Permits under the Applicable Laws which are required to execute and perform the Concession Agreement and submit copies thereof to the Authority;
- d) The Selected Bidder/ Concessionaire shall, at its own risk and cost, obtain the security clearances required to carry out commercial activities in the security restricted area from the Bureau of Civil Aviation Security (BCAS) or any other relevant Governmental Authority and submit copies thereof to the Authority;
- e) The Selected Bidder, within Fifteen (15) days from the date of LOIA, shall submit a detailed Draft Media Plan in consonance with the Location Layout Plan of the RFP.
- f) The Selected Bidder/ Concessionaire shall apply for necessary approvals and clearances of security program from the Bureau of Civil Aviation Security (BCAS) or any other relevant Governmental Authority, and any other clearance as may be notified from time to time and submit copies thereof to the Authority.

The Selected Bidder will be under obligation during this period to complete the formalities and meet the obligations as specified in Article 3 of Concession Agreement.

6. **Access Date** : "Access Date" shall mean the date on which the Concessionaire is handed over physical possession of the Advertisement location (after completion of the contractual formalities like acceptance of LOIA, submission of security deposit, signing of agreement etc.) within the incubation period. In case the agency fails to take over the advertisement sites within 60 days of disposal of LOIA, the 61st day from date of disposal of LOIA shall be deemed to be the access date.
7. **Gestation Period** : Gestation Period will be a period of 60 (sixty) days starting from the Access Date and expiring on the Concession Fee Commencement Date.
All other factors of Gestation Period will be governed as per Chapter 5.9 of RFP Document.
8. **Security Deposit : (Phase – I)**

On or before the date of execution of the Concession Agreement the selected bidder shall deposit with AAI (Bank Guarantee (BG) / Cash - through RTGS) amount equivalent to 50% of eight (8) months MMG of the First concession year, whichever is higher.

The amount of Security Deposit for 1st Year will be INR 1,34,45,568/- (Indian Rupees One Crore Thirty Four Lakh Forty Five Thousand

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20/12/24

Five Hundred Sixty Only), i.e. equivalent to 50 % eight (08) months MMG (MMG being INR 3361392/-).

All other parameters of Security Deposit (including format of Bank Guarantee for submission of SD and SFMS guidelines) will be Article 7 and Schedule F & Schedule G of Concession Agreement.

9. Submission of required permissions / approvals & Certificates :

The successful tenderer shall be required to submit Security Programme (as per Format A & A1 available on BCAS website www.bcasindia.nic.in and/or www.bcasindia.gov.in) to the RDCOS office through Vijayawada Airport for issuance of Security Clearance / approval, for operating the facility in Security Restricted Area, within Business incubation period.

The Selected Bidder shall obtain all requisite operating Permits from competent authorities at the Concessionaire's own cost and shall prior to the commencement of operations of the Advertisement Spaces apply, pay for and comply with the conditions of all Permits or Approvals.

The successful bidder also has to submit Security Programme online through e-sahaj portal (<https://esahaj.gov.in>) and a copy of the online receipt of the application has to be forwarded to office of RDCOS through AAI along with the aforesaid documents in hardcopy. Further the Concessionaire shall submit 3 sets of the security program as per the prescribed format of BCAS for permission to operate in the Security Restricted Area. All other parameters regarding operation and maintenance will be as per Article 11 of Concession Agreement.

- 10. Location Lay Out :** The total tendered advertisement area is **12048 sq.ft.** consisting of **2614 sq.ft.** towards Indoor advertisement, **9056 sq.ft.** towards Outdoor advertisement and **378 sq.ft.** for Short term avenues as envisaged in the Location Layout Plan provided at **Schedule-A** of RFP Document.

The Selected Bidder shall use the Advertising Locations for the sole purpose of displaying the Advertisement content in accordance with Good Industry Practices, standards and specifications with a view to compliment the image of the Airport as envisaged by the Authority.

The Advertisement Locations as per the Location Layout Plan would be physically handed over to the Concessionaire on "as is where is" basis and Authority shall not be responsible for its renovation, maintenance and up-keep from the Access Date.

All other parameters of Operation and Maintenance will be as per Article 11 of Concession Agreement.

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11. Scope of Advertisement : The Scope of advertisement media under this concession, subject to Location layout plan as per Schedule A of RFP Document and shall be as under :

- a) All types of indoor and outdoor advertising/brand promotion media, such as Bill Boards, Gantries, Back Lit Static Displays, Stunners, Display Windows, Flag Posts, Traffic Signage's, Digital/Laser Floor/Ceiling graphics, Product /Services Showcasing with or Without Human Interface, Vehicle & Refitted Vehicle/Real Estate Displays with or without Human Interface, Welcome/Reception desk , Multiple Imaging, Electronic & Digital Displays (e.g. Video Wall & Close Circuit Flight Information Television), LCD/LED TV Displays Time & Temperature Displays, Ball Balloons, Shoe Shining Machines, Multi Screen Moving Displays, Conveyor Belt Advertisements, Pillar Wraps, Special Brand Promotion Drop Downs/ Banners/ Decorations on special events, Mobile/ Laptop Chargers/Sponsorship/ Advertising on Security Trays, Queue Managers, Planters and any future advertising innovations etc. In brief all direct and surrogate activities concerning brand promotion of any company/organization/ person or persons/ product/ service would encompass Advertising Rights".
- b) However special exclusions notified by Authority in the RFP (Clause 5.2.5 Negative List) would not form part of this "Advertising Rights".
- c) Advertisement like Mobile/Laptop charges/Q mangers/Security tray etc. will be as per Clause 1.2.8 of RFP Document.
- d) The successful bidder has to enter into Service level agreement (SLA), as per **Schedule-C**, with authority for mandatorily providing Mobile/Laptop Charges/Q Mangers / Security Tray etc. as per the requirement of **Vijayawada Airport and** decided by the authority. In addition to this Authority will also have the right to install LCD/LED TV for display of News/Entertainment Channels/Passenger information's etc. for the requirement of passenger facilitation through respective service providers, if required.
- e) The Concessionaire shall ensure that the concept of execution of the Advertisement Rights Concession is in line with the international standards and the image envisaged for the Airport by Authority.
All other parameters would be as per Chapter 5.2 of RFP Document.

- 12. Payment of Concession Fee and Commercial Bills** : The Authority shall raise an invoice to the Concessionaire for Monthly Concession Fee, Space Rent and CAM Charges, in accordance with the terms and conditions of this Agreement, by 10th of the succeeding month to which billing pertains. Irrespective of receipt of any invoice from the Authority, the Concessionaire shall be bound to remit the Monthly Concession Fee, Space Rent, CAM Charges by the 25th of the same month (i.e. the succeeding month to which billing pertains). Any delay in the aforementioned payments shall attract an

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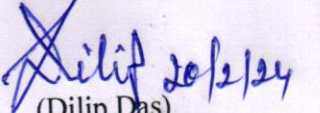
interest on the delayed amounts at the rate of 9% per annum from the respective due date for up to 30 days of delay. In the event, the delay in payment is for more than 30 days, an interest @ 18% per annum shall be charged from the due date, for the entire delayed period. In case, the default persists on the 31st day counted from the due date, Authority shall have the right to issue a written notice notifying the Concessionaire of the default. The Authority shall be entitled to terminate the Concession as per guidelines provided in Article 19 of Concession Agreement.

All other terms & conditions will be governed as per guidelines provided in RFP Document, vide E-Bid No. 2023_AAI_171233_1, dated 18th October, 2023.

Accordingly, it is requested to mobilize your resources and efforts for completion of all procedures during business incubation period and commencement of business within gestation period please. Further Acceptance of this LOIA is required to be conveyed to this office within seven (7) working days from the date of disposal of this LOIA.

Thanking you,

Yours faithfully,


(Dilip Das)

AGM (Commercial)
For Airport Director,
Vijayawada Airport.

Copy to :

1. GM(Commercial), AAI CHQ for kind information please.
2. Regional Executive Director, SR, for kind information please.
3. Jt. G.M (Commercial), SR for kind information please.
4. Jt. G.M. (Finance), Vijayawada Airport for kind information please.
5. HoD (Engg-Elect), Vijayawada Airport for kind information please.
6. HoD (Engg-Civil), Vijayawada Airport for kind information please.
7. HoD (Ops), Vijayawada Airport for kind information please.
8. HoD (Security), Vijayawada Airport for kind information please.

दिलीप दास / DILIP DAS
सहायक महाप्रबंधक (वाणिज्य) / AGM(Commercial)
भा.वि.प्रा. विजयवाड़ा अंतरराष्ट्रीय हवाई अड्डा
AAI, VIJAYAWADA INTERNATIONAL AIRPORT-521102